

NORTH CAROLINA STATE BOARD OF EDUCATION



AS I SEE IT

Perspectives from State Board of Education Chairman and CEO Bill Harrison

July 13, 2009

There aren't enough clichés to express how tough the budget is and how creative all of us need to be to meet the challenges ahead. And, you've probably heard all of them anyway; I don't need to remind you about belt-tightening or doing more with less,

But, there are five fundamentals that need to be repeated, just to make sure everyone has the facts they need to evaluate the budget situation in North Carolina and, specifically, as it affects the state's public schools. These fundamentals are based on the questions and assumptions that many citizens and educators ask and make when contacting us at the NC Department of Public Instruction.

First, the public schools' budget is a large pot of money, so when legislators need large sums of money, it's an obvious place to look. The public school fund comprises 38 percent of the state's overall budget - more than any other program area. That's \$7.98 billion. When all levels of education funding are counted, education takes up more than half of the state's total budget.

Second, most of the public school fund is spent on salaries for teachers, assistant principals, principals, instructional support (guidance counselors, school psychologists, librarians, and so forth) as well as central office staff, school bus drivers, cafeteria workers and custodians, and many other employees. Approximately 90 percent of every dollar the state allots to public schools is spent on salaries and benefits.

Third, it takes a lot of cuts to make up \$1 billion. Just to get some perspective of what the impact could be if \$1 billion were cut from public schools: it would take the elimination of all state, district and school-level administration to reach only \$436 million of that \$1 billion. Or, you could reach \$1 billion by cutting every teacher's salary by one-fifth, or approximately three pay grades on their pay scale. I wouldn't recommend either of these examples, but they do give you an idea of how much you would need to cut to reach \$1 billion.

Fourth, the NC Education Lottery does not bring in enough funding to equal the total cuts being sought or to be a panacea for all educational needs. The lottery is helpful. It provides approximately \$100 million to support K-3 class sizes of one teacher for every 18 students, and \$85 million to support More at Four for academically at-risk preschool children. Lottery funds also support local capital projects and scholarships, as set out in the original lottery law. All told, lottery funds make up about 2.24 percent of the public schools' operating budget. Unfortunately, the proceeds are not the answer to our budget troubles.

Fifth, the State Fiscal Stabilization Funds (SFSF), (with fewer restrictions than Title I and IDEA funds) will provide \$403 million in relief of the \$1.2 billion dollars in K-12 cuts proposed in the House Budget. The federal stabilization funds are to be used at the discretion of local school districts and charter schools (with a few limitations on construction) to offset the major instructional cuts (not just the non-instructional support and instructional material cuts) expected to be in K-12 final budget.

So remember these five fundamentals when you talk to your legislators about budget priorities and share your view of how cuts will affect your schools, your students, your children and your school community. And stay educated on topics related to school budgets at www.ncpublicschools.org/fbs so that your views are well informed and on target.

Bill Harrison, Chairman
State Board of Education